What is claimed is:

1. A Karaoke system comprising:

a video image capturing device for capturing a video image of a Karaoke performer;

a Karaoke medium player for retrieving audio signals and an indicia image of a song from a Karaoke medium;

means for downscaling and repositioning the indicia image;

means for compositing the downscaled and repositioned indicia image with the image of the Karaoke performer to provide an output video image;

a video monitor for displaying the composite output video image.

2. A Karaoke system as in claim 1, wherein the indicia image contains words for the song.

3. A Karaoke system as in claim 1, wherein the means for compositing overlays the downscaled and repositioned indicia image on the image of the Karaoke performer.

4. A Karaoke system as in claim 1, wherein the means for compositing removes a background of the downscaled and repositioned indicia image before overlaying the downscaled and repositioned indicia image on the image of the Karaoke performer.

5. A Karaoke system as in claim 1, wherein the means for downscaling and the means for compositing are implemented in a stand-alone device separate from the Karaoke medium player.

6. A Karaoke system as in claim 1, wherein the means for downscaling and means for compositing are implemented as components of the Karaoke medium player.

7. A Karaoke system as in claim 6, wherein the Karaoke medium player is a compact-disk-plus-graphics (CD+G) player.

8. A Karaoke system as in claim 1, wherein the means for downscaling vertically downscales the indicia image by selectively dropping lines of the indicia image.

9. A Karaoke video image processing device comprising:

a first video input for receiving from a Karaoke medium player an indicia image associated with a song being played back;

a second video input for receiving a second video image from a second external video source;

an electronic circuit to downscale and reposition the indicia image and to composite the downscaled and repositioned indicia image with the second video image to form an output video image;

a video output for outputting the output video image for display.

10. A Karaoke video image processing device as in claim 9, wherein the electronic circuit overlays the downscaled and repositioned indicia image on the second video image to form the output video image.

11. A Karaoke video image processing device as in claim 10, wherein the electronic circuit removes a background of the downscaled and repositioned indicia image before overlaying the downscaled and repositioned indicia image on the second video image.

12. A Karaoke medium player comprising:

a reader for retrieving data from a Karaoke medium, the data comprising audio data and an indicia image;

an external video input for receiving an external video image;

a video processing circuit for downscaling and repositioning the indicia image and combining the downscaled and repositioned indicia image with the external video image to from an output video image;

a video output for outputting the output video image;

an audio processor for processing the audio data to provide an output audio signal; and

an audio output for outputting the output audio signal.

13. A Karaoke medium player as in claim 12, wherein the video processing circuit removes a background of the downscaled and repositioned indicia image before compositing the downscaled and repositioned indicia image with the external video image.

14. A Karaoke medium player as in claim 12, wherein the Karaoke medium is a compact-disk-plus-graphics (CD+G) disk.

15. A Karaoke medium player as in claim 14, wherein the video processing circuit includes a CD+G decoder for compositing the downsized and repositioned indicia image with the external video image.

16. A Karaoke medium player as in claim 12, wherein the video processing circuit includes a subcode processor for receiving a stream of subcode data retrieved from the Karaoke medium representing the indicia image and modifying the subcode data to effect the downscaling and repositioning.

17. A Karaoke medium player as in claim 16, wherein the Karaoke medium is a compact-disk-plus-graphics (CD+G) disk and the video processing circuit further includes a

CD+G decoder, and wherein the subcode processor sends the modified subcode data to a microprocessor interface of the CD+G decoder.

18. A method of generating video images for Karaoke applications, comprising the steps of:

capturing a video image of a Karaoke performer;

retrieving audio data and an indicia image associated with a song being performed by the Karaoke performer;

downscaling and repositioning the indicia image;

compositing the downscaled and repositioned indicia image with the image of the Karaoke performer to form an output video image; and

displaying the output video image on a video monitor.

19. A method as in claim 18, wherein the step of compositing includes removing a background of the downscaled and repositioned indicia image.

20. A method as in claim 18, wherein the step of downscaling reduces a vertical height of the indicia image by line dropping.